# Online Consumer Behaviour: A Case Study of Delhi Region

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**Abstract:**

*The Internet explosion has shifted some of the traditional shopping to the online shopping environment. The Internet has also divided consumers into two distinctively characterized groups, namely traditional and online consumers, where the latter tend to value information highly and are more skeptical to pure sale messages. With the increasing importance of the Internet in everyday life, both from a social and commercial point of view, it has become ever more crucial to understand the new market and the new type of consumer. This information is hidden in the perceptions and attitudes where these parts depict the behaviour of consumers, which is why spies are used in extracting this type of information. The objective of the paper is to investigate the factors that affect online purchasing behaviour of consumers. Online shopping is a growing phenomenon worldwide and with increase in internet penetration and broadband India too is witnessing a surge in online shopping. Consumer buying behaviour is a widely researched area but online buying behaviour is still evolving. Marketers are trying to understand the online buying behaviour of Indian consumers so that they can look out for new ways of identifying distinct profitable customer segments and targeting them better.The Internet is bringing about a fundamental transformation in consumer behaviour. The Internet and the e-commerce revolution have brought a paradigm shift in the way customers shop.*

***Key words:*** *consumer, internet, e-commerce, shopping*

## Introduction

In its original context a traditional market is defined as a physical place where buyers and sellers meet in order to make exchanges (Kotler, Wong, Saunders & Armstrong, 2005). However, the Internet which is a rather new type of digital interactive media, an electronic channel of communication where actors can take part actively and instantly (Arens, 2004), has given rise to a new marketplace, and a new form of commerce called e-commerce.

The Internet and the e-commerce revolution have brought a paradigm shift in the way customers shop. Online shopping is a growing phenomenon worldwide and with increase in internet penetration and broadband India too is witnessing a surge in online shopping. Consumer buying behaviour is a widely researched area but online buying behaviour is still evolving.

Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Marketers are trying to understand the online buying behaviour of Indian consumers so that they can look out for new ways of identifying distinct profitable customer segments and targeting them better.

In this electronic age the entire world is tied with the internet loop, business has no geographical boundaries. The customer know what is available in the world and where to buy; and the seller of goods is in search of consumers and provide them maximum value and convenience to withstand competition. On-line retailing is an excellent platform available with the seller to present complete market in customer's doorstep.

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In the Internet shopping market since there is no face-to-face contact, analysing and identifying factors that influence the consumer is vital. Moreover, consumers have new demands in the Internet medium. Therefore, it becomes more important to answer consumer's demands to retain the customer.

## Online Consumer Behaviour

Arens (2004) stresses the importance of finding a common language for communication, where the study of consumer behaviour enables marketers and companies to understand their consumers and to keep them interested in their offerings. The importance of understanding consumer behaviour is more specifically attached to; opportunities in the market, selection of target, the marketing mix, and sending appropriate messages. The aim of learning about consumers' buying behaviour is, from a business perspective; to be able to more effectively reach consumers and increase the chances for success.

The Internet has become so vital for our everyday life where it has evolved from a theoretical concept to the reality it is today. There are so many activities on the Internet that not even your imagination can set the boundaries for what is possible. No matter what it is used for, it will be around for a long time and also an elementary part of our society. The increased competition in the online environment has made the acquiring and retaining of customers more complex than ever before. The key here is to be able to understand the consumer behaviour online in order to find success.

Internet makes life simple and innovative. People are doing business online and trade has become more easy and fast. Internet provides new ways to promote business. Website becomes the essential part of online business as to show their services and products. Internet gathers all competitors and consumers in one place. It brings new lane to promote, advertise products and services in market.

Online consumers are always seeking new products, new attractiveness and the most important thing being price compatibility with their budget. The internet is the best way to save time and money through purchasing online within their range of budget anywhere and anytime. Online consumers don't have limits to online shopping. They also use internet for comparison of prices of goods and services, news, visit social networks and search information and so on.

## Online Buying Process:

According to marketing expert Phillip Kotler, buying stages can be identified as pre-purchase stage, purchase stage and post-purchase stage.

Within the pre-purchase stage of online buying, consumers search for information about goods and services and they evaluate different alternatives. Two important issues are to be discussed here. First, there are the attributes of information: accessibility of information and the quality of information. Information accessibility is referred as the ease of finding relevant information for the buying decision making. When deciding to collect information online, consumers have many ways of finding the relevant information: searching information using a search engine, directly visiting the online vendor's website, reading previous consumers reviews posted on forums, social networks or blogs etc. Easy access to price and product information is one of the main benefits of searching for information on the Internet.

Due to the abundant availability of information on the Internet, consumers can make better informed purchase decisions. But abundance of online information does not imply quality. Quality information has been defined as being up-to-date, complete, detailed, reliable, and trustful and communicated in a proper format.

Within the purchase stage of the online buying process, consumers order and pay for the goods and services bought online. The ordering process depends highly on the reliability of the ecommerce platform and the payment process depends highly on the security of the e-commerce platform. Online buying does not offer instant satisfaction since there is a temporal separation between ordering goods and services and actual consumption (Suki and Suki, 2007, p. 83).

Of course, this is not the case of digital products and services that can be downloaded and instantly used .But for the rest of the goods and services, the consumer has to wait for the delivery of the acquisition. This could

justify the importance of delivery in the post-purchase stage. The delivery time, the delivery of the right product regarding its attributes and performance is highly associated with post-purchase satisfaction.

Also, post-purchase customer relationships will weight high when considering this transaction specific satisfaction. Consumers may inquire about the delivery status of their order or ask additional information about the goods and services. In those cases when consumers are not satisfied with the product that they have purchased, returning policies play a significant role in regard to the post-purchase satisfaction since returning policies are a main concern for online consumers. Mahmood, Bagchi, and Ford (2004), in their research on online shopping in different countries, suggested that trust and economic conditions have positive and significant impact on consumer's online shopping behaviour.

### Objectives of The Study

- The aim of this study is to investigate the factors that affect online purchasing behaviour of consumers. Moreover, it is also aims to identify and analyse online buying habits of consumers in Delhi region. The paper attempted to identify the determinants of online purchase intentions of consumers.

### Research Methodology

Focusing the objective of the present paper, a survey was conducted with the help of a structured questionnaire to collect data about the consumer behaviour for online shopping in Delhi, India. The respondents were selected conveniently and data of 200 respondents was analysed for this study.

The structured questionnaire was designed to collect information about demographic profile of the respondents such as age, gender, occupation. In addition to this, various questions related to the experience of internet usage, the purpose of using Internet, types of products purchased online, factors affecting consumer behaviour while online shopping etc. were asked from the respondents.

### Data Analysis and Interpretation:

**Table.1.1 Classification of respondents on the basis of gender**

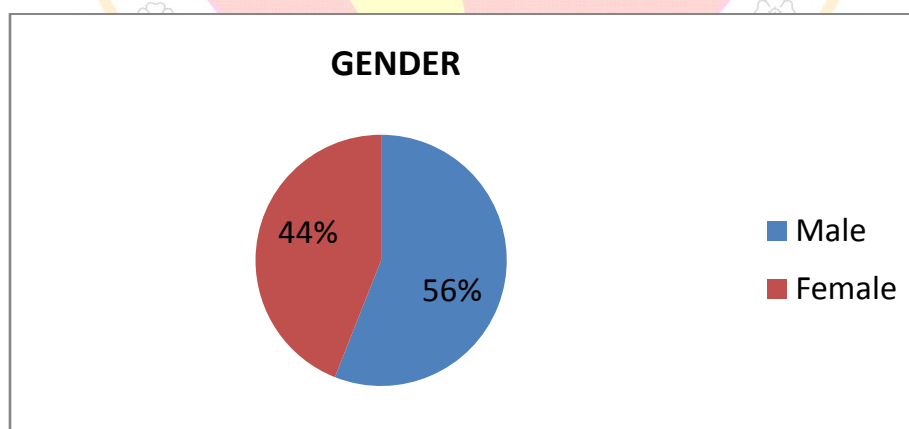| Gender | Frequency | Percentage |
|---|---|---|
| Male | 112 | 56% |
| Female | 88 | 44% |
| GRAND TOTAL | 200 | 100% |

**Source: Primary data**



**Figure 1.1: Gender analysis**

Table 1.1 presents the demographic gender profile of the respondents. The number of male respondents is higher than female respondents. 56% of the respondents are male while 44% of them are female.

**Table.1.2 Classification on the basis of age**

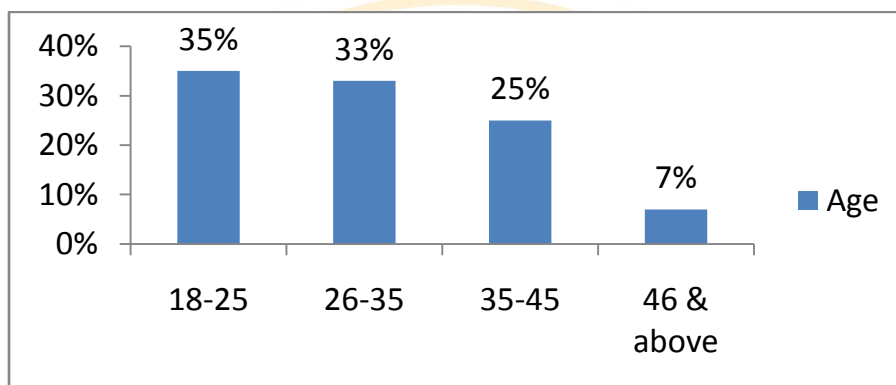| Age | Frequency | Percentage |
|---|---|---|
| 18-25 | 70 | 35% |
| 26-35 | 66 | 33% |
| 35-45 | 50 | 25% |
| 46 & above | 14 | 7% |
| GRAND TOTAL | 200 | 100% |

Source: Primary data



**Figure 1.2: Age wise analysis**

Four categories were used gathering information about the age of the respondents. Respondents who were in the age group of 18-25 were composes the majority of the respondents with 35%. 33% of the respondents belong to the age group of 26-35, 25% of belong to under 35-45, and 7% belongs to the age group 46 and over. Age group data of respondents show that the survey mostly represented by a young group.

**Q1. Do you have internet access?**

**Table.1.3. Internet access**

| Do you have internet access? | Frequency | Percentage |
|---|---|---|
| Yes | 200 | 100% |
| No | 0 | 0 |
| GRAND TOTAL | 200 | 100% |

Source: Primary data

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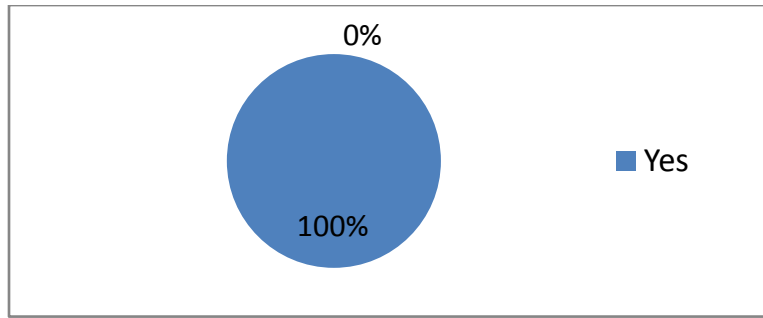
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**Figure 1.3: Internet access**

The above frequency table and pie chart shows the number of respondents having internet access. It can be easily analysed from sample of data of 200 respondents that 100% respondents from Delhi have access to internet.

**Q2. Do you have a credit/debit card?**

**Table.1.4. Credit/debit card access**

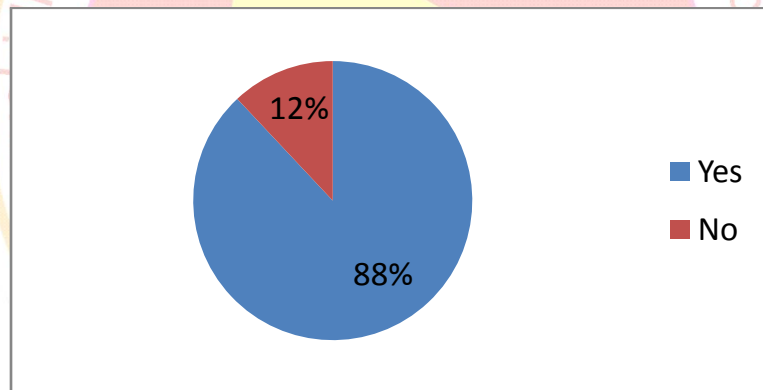| Do you have a credit/debit card? | Frequency | Percentage |
|---|---|---|
| Yes | 176 | 88% |
| No | 24 | 12% |
| GRAND TOTAL | 200 | 100% |

**Source: Primary data**



**Figure 1.4: Credit card/debit card access**

The above frequency table and bar chart shows frequency distribution for respondents having credit/debit card. It shows that 88% of the respondents have access to credit/debit card.

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**Q3. How frequently do you shop online?**

**Table.1.5. Frequency of shopping online**

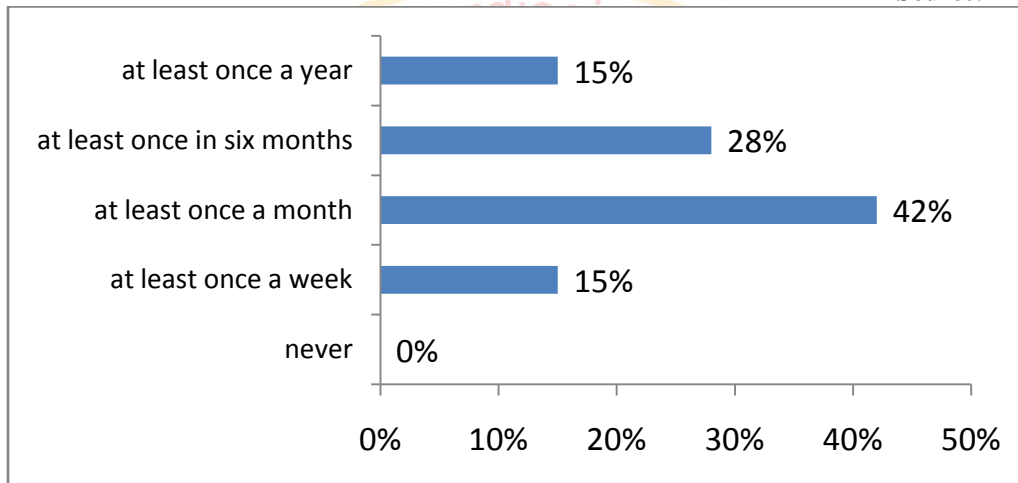| How frequently do you shop online? | Frequency | Percentage |
|---|---|---|
| never | 0 | 0% |
| at least once a week | 30 | 15% |
| at least once a month | 84 | 42% |
| at least once in six months | 56 | 28% |
| at least once a year | 30 | 15% |
| GRAND TOTAL | 200 | 100% |

Source: Primary data



**Figure 1.5: Analysis of frequently shopping online**

Majority of the 42% of respondents have bought online at least once a month, 28% of respondents have shopped online once in six month, 15% respondents bought online things once in a week and 15% percentage lie in the category of shopping at least once a year. It is clear from the data that majority of the people in Delhi are shopping online "at least once in a month"

**Q4. For what purpose you use the internet more?**

**Table.1.6. Purpose of using internet**

| Purpose of using internet | Frequency | Percentage |
|---|---|---|
| Research, Homework, Study | 70 | 15% |
| Communication, Social websites | 128 | 28% |
| Games | 46 | 10% |

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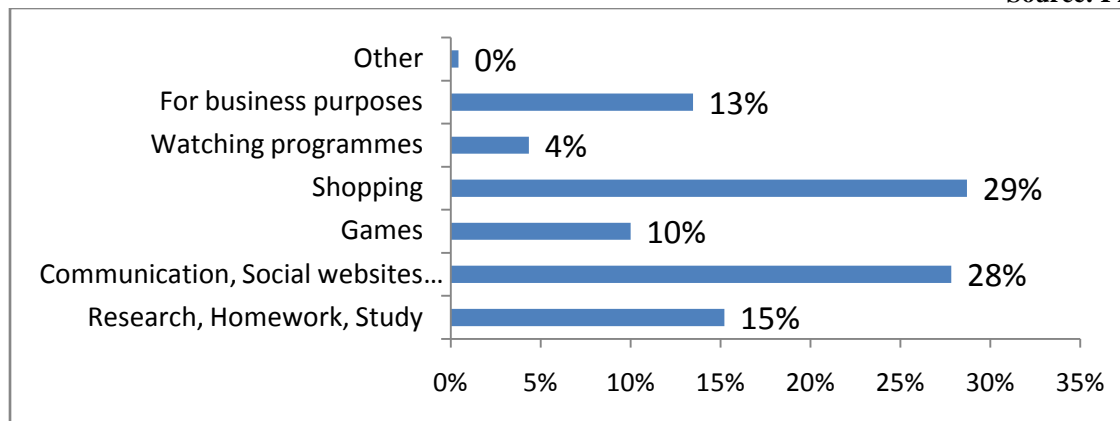| | | |
|---|---|---|
| **Shopping** | 132 | 29% |
| **Watching programmes** | 20 | 4% |
| **For business purposes** | 62 | 13% |
| **Other** | 2 | 0% |
| **GRAND TOTAL** | **460** | **100%** |

**Source: Primary data**



**Figure 1.6: Purpose of using internet**

From the above frequency distribution and chart it is clear that highest number of respondents use internet for Shopping (29%) and Communication & Social websites (28%) purpose. 15% of the respondents use internet for research, study purpose.

**Q5. Which product groups you buy most online over the internet? (Rank in order of preference from 1 to 7)**

**Table.1.7. Product segmentation**

| Product segmentation | Mean |
|---|---|
| **Clothing, Accessories** | 2.2 |
| **Food, Drink** | 3.1 |
| **Perfume, Cosmetics** | 3.7 |
| **Holiday, Travel ticket** | 5.2 |
| **Electronic goods** | 4.8 |
| **Household goods, furniture** | 4.8 |
| **Books** | 4.3 |

**Source: Primary data**

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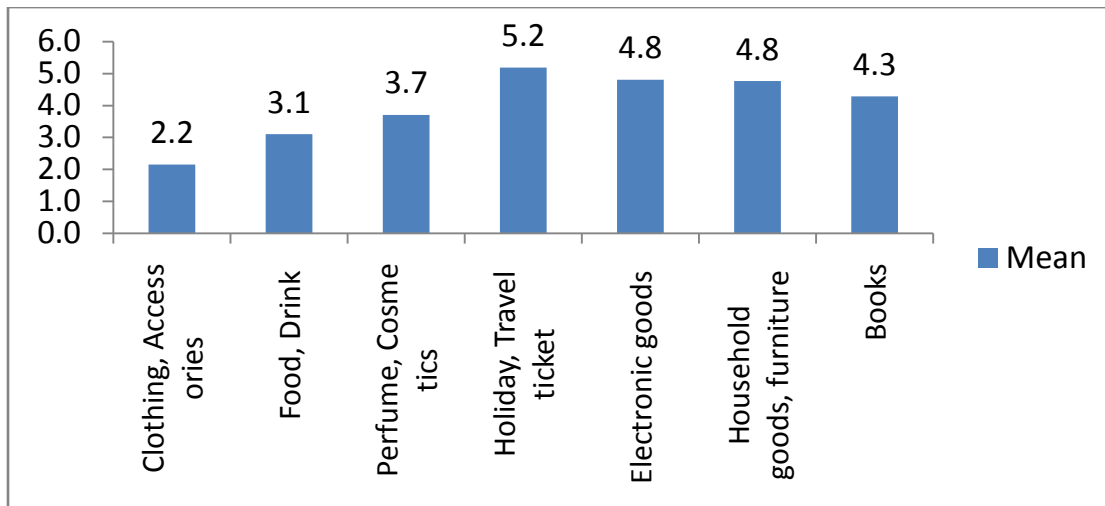
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**Figure 1.7: Product segmentation**

In the above table and graph, the mean was calculated using the ranks which the respondents provided for each of the product category.

Clothing, accessories have the lowest mean of 2.2, therefore it is the most preferred choice which is shopped online. Food, drinks and perfume, cosmetics have mean of 3.1 and 3.7 respectively and are the next preferences of the respondents.

The analysis indicates that online shopping is very popular for clothing, accessories items followed by food, drink.

**Q6. How do you make payments mostly when shopping on the Internet?**
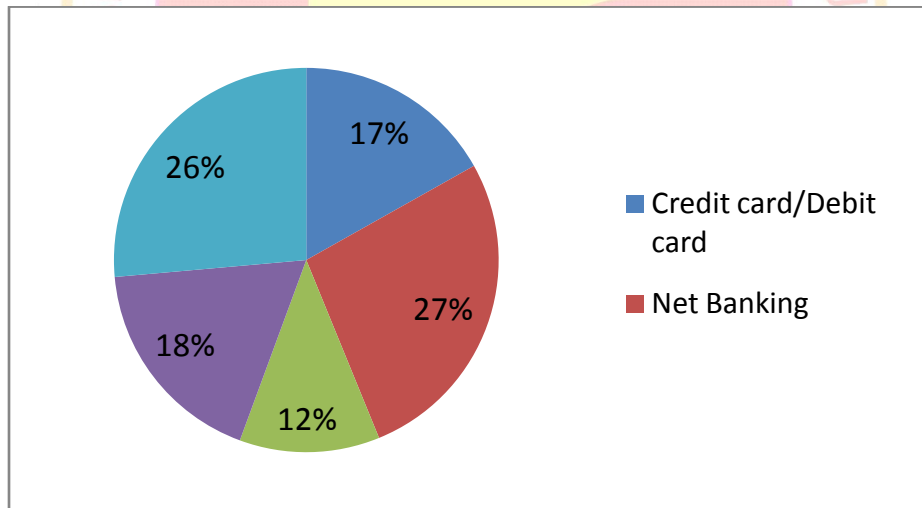


**Figure 1.8: Methods of payment**

From the above chart it is clear that, 27% of the respondents use Net banking as a mode of payment followed by Paytm/PayPal (26%). Net banking is found most popular and personal cheque method is found least popular for online shopping among consumers.

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## DESCRIPTIVES STATISTICS

| | Mean | Standard Error | Median | Standard Deviation | Sample Variance | Kurtosis | Skewness | Range | Min. | Max. | Sum | Largest | Smallest | Confidence Level (95.0%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| I prefer making a purchase from internet than using local malls or stores | 40 | 12.35 | 28 | 27.60 | 762 | -1.90 | 0.73 | 62 | 16 | 78 | 200 | 78 | 16 | 34.28 |
| It is a risk for me not to see the product in real | 40 | 16.89 | 28 | 37.76 | 1426 | 0.66 | 0.96 | 98 | 0 | 98 | 200 | 98 | 0 | 46.89 |
| It is a risk for me to share my banking details while shopping online | 40 | 13.84 | 36 | 30.95 | 958 | 2.08 | 0.78 | 86 | 2 | 88 | 200 | 88 | 2 | 38.43 |
| I have never received a defective product in online shopping | 40 | 6.32 | 44 | 14.14 | 200 | 3.15 | -1.70 | 36 | 16 | 52 | 200 | 52 | 16 | 17.56 |
| Products can be returned easily to online retailers | 40 | 7.77 | 46 | 17.38 | 302 | -1.73 | -0.67 | 40 | 16 | 56 | 200 | 56 | 16 | 21.58 |
| I have trust on online retailers | 40 | 5.97 | 44 | 13.34 | 178 | 0.05 | -0.86 | 34 | 20 | 54 | 200 | 54 | 20 | 16.57 |
| I can get the latest information from the Internet regarding different products/services | 40 | 10 | 40 | 22 | 482 | -1 | 0 | 52 | 18 | 70 | 200 | 70 | 18 | 27.26 |

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**Table 1.9.Descriptives**

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Online shopping provides me with the opportunity to get the products delivered on specific date and time anywhere as required | 40 | 6.84 | 40 | 15.30 | 234 | -2.26 | 0.00 | 36 | 22 | 58 | 200 | 58 | 22 | 18.99 |
| Online shopping is more convenient than in-store shopping and saves time | 40 | 20.87 | 16 | 46.67 | 2178 | 3.32 | 1.82 | 114 | 6 | 120 | 200 | 120 | 6 | 57.95 |
| There is an option to have access to more products | 40 | 18.49 | 28 | 41.35 | 1710 | 1.19 | 1.26 | 102 | 4 | 106 | 200 | 106 | 4 | 51.35 |
| Cash on Delivery is a better way to pay while shopping on the Internet | 40 | 15.66 | 30 | 35.01 | 1226 | 2.83 | 1.41 | 94 | 4 | 98 | 200 | 98 | 4 | 43.48 |
| Internet provides regular discounts and promotional offers to me | 40 | 15.95 | 22 | 35.67 | 1272 | 1.58 | 1.43 | 88 | 10 | 98 | 200 | 98 | 10 | 44.28 |
| Product options can be compared more easily | 40 | 21.23 | 20 | 47.48 | 2254 | 4.56 | 2.12 | 112 | 12 | 124 | 200 | 124 | 12 | 58.95 |

**Source: Primary data**

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**Conclusion of The Study:**

The growing use of Internet in India provides a developing prospect for online shopping. If e-marketers know the factors affecting online Indian behaviour and the relationship between these factors and the type of online buyers, then they can further develop their marketing strategies to convert potential customers into active ones, while retaining existent online customers. The online customer is more aware and more sensitive and, therefore, much more difficult to retain.

The Indian scenario is quite different from that of the West. It has become difficult to identify the consumer behaviour in the globalized era. The internet customer is very hard to predict and is different from the normal customer. The consumer behaviour in Internet retailing is influenced by a variety of factors.

The Internet is bringing about a fundamental transformation in consumer behaviour. The process of unbundling the information and the physical product has started to gain momentum. Even for firms not selling online, a Web site is increasingly becoming the gateway to their products and services. Hence Web sites have to be carefully designed to make it very appealing.

The online consumer market place is growing at an exponential rate. At the same time, technology has enhanced the capacity of online companies to collect, store, maintains, transfer and analyze vast amount of data from and about the consumer who visit their web sites. This increase in the collection and use of data has raised public awareness and consumer concern about online privacy.

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